



# **First Taskforce Meeting on Developing Country Action Plan of Vientiane Declaration on Aid Effectiveness**

International Cooperation and Training Centre (ICTC)

Vientiane, 26 February 2007

9.00 AM – 12.00 PM

## **1. General Overview**

The first Taskforce Meeting on developing the Country Action Plan of the Vientiane Declaration on Aid Effectiveness was held on the morning of 26 February 2007 at the ICTC. The purpose of the Meeting was to: 1) Approve the proposed Task Force meeting plan; and 2) Review the structure and content of the existing draft Harmonisation and Alignment Action Plan, highlighting areas that could be improved.

The meeting was chaired by Dr. Bountheuang Mounlasy, Director General, Department of International Cooperation (DIC), Ministry of Foreign Affairs (MOFA) and co-chaired by Mr. William Rex, Lead Country Officer, World Bank. Dr Bountheuang noted the important role of the Task Force in building consensus and finalising sections of the Country Action Plan. Mr Rex commented that it is important for members to attend all meetings and be actively involved in discussion so as to provide enough information to the Secretariat so they can do some informed drafting.

Thereafter, Mme. Sisomboun Ounavong, Director UN Division, DIC, MOFA, made a presentation on the Work Plan of the Taskforce, which identified the dates and objectives of each Task Force Meeting up until 31<sup>st</sup> May 2007. The presentation also provided a brief overview of the background to the existing draft Harmonisation and Alignment Action Plan that is being used as a basis to develop the Country Action Plan. The existing Action Plan was developed before the Vientiane Declaration, and therefore some modifications are required.

The presentation was followed by a discussion period where the participants were given the opportunity to comment on: 1) the work plan of the Task Force 2) the structure of the existing Action Plan and 3) the content of the existing Action Plan. The comments and suggestions made during the Meeting are summarised below.

## **2. Comments on Proposed Work Plan of Task Force Meetings**

- No comments made. Overall endorsement of proposed schedule and objectives of each Task Force meeting.
- Task Force members invited to inform Secretariat by Tuesday 6<sup>th</sup> March if proposed meeting times are not suitable. (email [secretariat\\_CAP@etlao.com](mailto:secretariat_CAP@etlao.com)).

### **3. Structure**

#### **General**

- Include the definition of each of the five sections of the CAP. For example Ownership: Government exercises effective leadership.
- Ensure simple language, short sentences, and definition of acronyms.
- The AP remains at a high level and does not provide much detail. In some cases, the Paris Declaration provides more details.
- The goals of the CAP should align with text of the Vientiane Declaration; however, in some cases perhaps we do not need one goal per one point in Vientiane Declaration.
- The paragraph numbers of the Vientiane Declaration could be included in the AP alongside the corresponding goals in order to ensure the AP covers all points.
- The CAP should also note which goals and actions are priorities.

#### **Targets and Indicators – Inclusion into the Main Matrix?**

- The CAP should include the baseline data and target indicators instead of a separate Annex.
- We could also include global baselines and indicators in the CAP as a reference point. The Ghana CAP provides a good example of this. (Note: this can now be downloaded on RTM website: <http://www.rtm.org.la/Indexlocalizedparis.php>)
- The word “milestones” could be changed to “performance indicators”.

The Co-Chair noted that it could be useful to include the baseline date and targets into the main matrix; however, it may not be possible and/or necessary to have indicators for each goal.

#### **Inclusion of Additional Columns – Indicative Costing, Funding Source, Status?**

- Suggestion that an indicative costing should be included. The Integrated Framework Action Matrix for trade provides a useful example.
- Recommendation to add a “funding source” column.
- Recommendation to add a “status” column to assist with monitoring the AP.

The co-chair noted that a degree of clarity on costing for each area would be beneficial.

#### **Responsible GOL Agencies and Lead Development Partners**

- Refer point 4.4 for discussion.
- Suggestion by co-chair to remove contents of the “Lead Development Partners” column for the Task Force meeting to start a fresh.

#### **Actions:**

- Secretariat to prepare revised structure of the CAP for approval by Task Force at next meeting
- Secretariat to revise language
- Secretariat to compare the Vientiane and Paris Declarations and outline discrepancies for consideration by the Task Force.

## **4. Content – General Comments**

### **Paris versus Vientiane Declaration**

- There was comment that the Paris Declaration should be taken as the primary reference source for the AP before the Vientiane Declaration when there are differences. However, others noted that the AP is a means to materialise the Vientiane Declaration.

### **Communications**

- The AP focuses on Government – DP coordination to improve aid effectiveness and development results; however, very little focus on inter-governmental coordination. More cooperation amongst the Government ministries and departments needs to be mentioned in the AP.
- There needs to be more communication to the Provinces to explain what needs to be done with implementing the Vientiane Declaration.

### **Baseline data and Indicators**

- The OECD/DAC survey is currently being undertaken and will provide information to the Vientiane Declaration; however, we will need to analyse how the data correlates and identify what gaps may still exist.
- Will the agreed indicators for measuring progress be discussed or have they already been agreed? *The co-chair noted that the baseline data and indicators will be discussed in subsequent Task Force meetings when we go through each section of the AP.*

### **Capacity Development**

- Capacity development is a critical issue that should be systematically addressed throughout the document.

The co-chair noted that it is important to look at the way capacity development is done—the “how” and the “what”. The Chair commented that all Development Partners are undertaking capacity development and the GoL would like to increase capacity development but need more concrete action.

### **Responsible GOL Agencies and Lead Development Partner(s) Columns – What do these mean?**

- The role of a lead DP should be clarified and need to come to consensus.
- It would be important to mention that a lead DP would not be responsible for implementation as it should be a partnership. However, the Lead DP could be responsible for leading the consultation process to facilitate effective donor coordination.
- There was a suggestion that the column “lead DP” is not necessary at all and should be removed because the AP should be Government led with full Government ownership, with all DPs contributing to this.

- In response to the above comment, it was noted that by identifying a lead DP it is simpler for the Government. The donor community could decide for themselves on a representative in each area. One suggestion might be to take the word “lead” out and replace it with “focal point” or “contact”.
- Need to consider the role of the Responsible GOL Agencies and Lead Development Partners in the context of the Sector Working Groups.

The Chair noted these important comments, and that when discussing implementation of the CAP we need to use existing structures such as the Sector Working Groups, as the Task Force will disappear. The Chair requested government members of the Task Force to consider whether or not there should indeed be a Lead Development Partner, and if so, what should their role be.

### **Sector Working Groups**

- The lead donor in each Sector Working Group (SWG) should be responsible for a similar area. How do we make SWGs work better? SWGs in the Lao PDR can be a bit too informal. There is a need to elect chairs, to have an annual plan and a Terms of Reference (TOR).

## **5. Specific Comments – Ownership Section**

### **General**

- The section on ownership reflects well the Vientiane Declaration.
- Strengthen the link between Actions and Column Five.
- Targets: For some things it is quite difficult to establish one date.

### **Goal One**

- The first goal should be rephrased to put the Government in the driving seat, eg: “Government leads implementation of NSEDP”.
- Simpler language, for example, no need to say “with a view to realise”.

### **Goals Two and Three**

- Goal 2 and 3 seem to be the same thing.
- It is necessary to have a target for a costed NSEDP?

### **Goal Four**

- Request for Secretariat to distribute the ODA Decree 168 to Task Force members.

### **Goal Five**

- Need to better define the role of the SWGs.
- What is the relevance of SWGs on Harmonisation and Alignment?
- Clarification needs to be made on the indicator stating that “80 percent SWG coordinate ODA”. It means it is achieved if 6-7 SWGs out of 8 could coordinate ODA? (DIC)

## **6. Specific Comments –Alignment Section**

### **General**

- There are a number of items in the Vientiane Declaration that are not in the AP. For example, the mention of periodic reviews, legal framework, and timely reporting. The Secretariat should examine this.
- The goals and actions are very relevant; however some timeframes are outdated.
- The current Governance Strategy which was launched at the RTM should be included in the AP. (PACSA).

### **Goal One**

- How do we ensure / monitor that DP's country strategies are inline with the NSEDP? As a starting point, perhaps all country assistance strategies could be posted on the RTM Website.
- The first goal should say "Most" donor policies/activities instead of all, as this will be difficult.

The Co-Chair commented that this takes us back to the importance of flexibility. Some DPs are operating under a number of constraints from headquarters (HQ) that they cannot control. Some DPs will be able to fully align, and others not at all. Therefore, we need to set realistic targets.

In response to this, the EC noted that we should not move at the slowest speed. Saying that HQ will not allow these changes (eg using national procurement systems or providing direct budget support) can be used as an excuse. Rules and regulations can be changed. All HQs have signed the Paris Declaration. This is an opportunity for us to start pushing the barriers.

### **Goal 2**

- Regarding PIU, perhaps here we need to discuss wage differentials. (This is addressed in Harmonisation section).

### **Goal 3: Capacity Development**

- Need to examine by sector.

### **Goal 4 and Goal 5: Public Financial Management and Procurement Systems**

- Some indicators from the PEMSP could be used. Should donors commit on how much assistance will be put through the Government budget?
- Are we clear on the standards that partners need to align with the Government system?
- More details regarding capacity development activities are needed to reach mutually acceptable standards, so that donors use national procurement and financial systems.

### **Goal 6**

- Some DPs wanted an external audit in the past. Does this include the standard audits?
- The external audit of the central bank was not conducted. The MOF is not ready for this audit.

### **Goal 8 - Monitoring and Evaluation**

- There is already a quality monitoring system at the National Statistics Centre (NSC). Can this be used or do we need to set-up something new? (EC) *The Chair noted that the NSC is responsible for “impact” monitoring of the NSEDP. While the Department of General Planning, CPI is responsible for monitoring and evaluating the implementation of the NSEDP (ie the outputs). In addition, the DIC is responsible for monitoring ODA.*
- Suggestion that the Committee for Planning and Investment (CPI) should also undertake ODA monitoring. More transparency is needed when working on the indicators.
- The NSC monitors poverty by a survey conducted every five years. The department of Monitoring and Evaluation in CPI deals with public investment programmes. This is partly concerned with ODA but not 100 percent as DIC is responsible for some. The monitoring and evaluation systems for ODA are currently being improved with assistance from UNDP.

## **7. Specific Comments – Harmonisation Section**

### **General**

- Need to include reference to core diagnostic reviews.
- This section needs to include actions to engage countries that have not signed the Vientiane Declaration or are not involved in the OECD/DAC survey.
- AAA stands for Advisory and Analytical Activities.
- It was suggested that cross-cutting activities, such as gender activities and governance be included in this section.

### **Goal One**

- The purpose of this goal was questioned. However, it was explained that while donors may align their programs to the NSEDP, there needs to be some sort of division of labour among donors to reduce overlapping. The co-chair noted *the Government should take the lead in this area.*

### **Goal Two**

- It was suggested that donors start thinking about a reasonable percentage of joint missions, which is also part of the OECD – DAC survey.

#### **Goal Four**

- Discussion surrounded whether or not there is a need for a clear definition of a sector wide approach, or rather principles of such an approach to allow a degree of flexibility within each sector.
- Wording of the Goal should be rephrased to allow for other approaches in addition to SWA and PBA.
- List of the sectors was questioned and it was suggested that trade, governance and legal sector could be included in the SWA.
- The list of Ministries and timelines for implementation was questioned (eg MAF).

#### **Goal Five**

- Clarification on what distortions are and how we can detect them was sought. The intent behind this goal is to eliminate distortionary effects of, for example, payments for training being higher than salaries, and differences in per diems among development partners.

### **8. Specific Comments - Managing For Results Section**

- No comments were raised on this section.

### **9. Specific Comments - Mutual Accountability Section**

- How is Point Two in Managing for Results linked to Monitoring and Evaluation and could it be one point?

#### Actions (for Sections 4-9):

- Secretariat to see if the OECD/DAC survey correlates with the VD.
- Secretariat to provide the indicators for measuring progress that have already been set and circulate to Task Force for discussions.
- Secretariat to make suggestions on how to incorporate capacity development issues.
- Secretariat to compare the Vientiane Declaration and the Action Plan and identify any discrepancies.
- Secretariat to remove items that are out of date and suggest updates, where possible.
- Secretariat to remove acronyms, to the maximum extent possible.

### **10. Closing Remarks and Summary**

- The timeframe for Meetings was tentatively agreed upon. If meeting times are not suitable, please inform the Secretariat by 6<sup>th</sup> March.
- It has been agreed that the Taskforce members can provide written feedback to the Secretariat on the structure and content of the draft AP by 6 March 2007. All

participants were invited to share with the Secretariat examples of other country's Action Plans which will then be distributed the group.

- It was noted that the drafting of the action plan will occur in close consultation with the taskforce working group, and in this regard, the secretariat will seek the support of taskforce members as necessary.
- The Implementing Rules and Regulations of the ODA Decree will be circulated to all concerned.
- The next Taskforce Meeting will be held on 20 March 2007.
- The Secretariat will supply draft sections of the AP to the Taskforce five days prior to the Meeting.
- The next Taskforce Meeting will be co-chaired by Ms. Josephine Kalinauckas, EC.

Actions:

- All DP's to submit their Strategy Papers to the secretariat, for posting on the website.
- All DP's to provide updated comments on the structure and content of the AP to the Secretariat by the 6<sup>th</sup> March 2007. And also note any issues with dates of Task Force meetings.
- Secretariat to supply draft sections of the AP to the Taskforce five days prior to the next TF Meeting.
- DIC to provide copies of ODA Decree 168 and Implementing guidelines to the Taskforce and Secretariat.
- DIC will provide copies of the earlier comments made by Japan, WB and the EC to the Secretariat.